

Kevin H. Good  
Texas Bar No. 08139300  
Conner & Winters LLP  
1700 Pacific Avenue  
Suite 2250  
Dallas, Texas 75201  
Telephone (214) 217-8070  
Fax (214) 217-8861

Attorney for Maloney, Bean, Horn and Hull, P.C.

**FILED**  
JUL 17 2009  
TAWANA C. MARSHALL, CLERK  
U.S. BANKRUPTCY COURT  
NORTHERN DISTRICT OF TEXAS

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF TEXAS  
DALLAS DIVISION**

**IN RE:**

**SUPERIOR AIR PARTS, INC.,**

**DEBTOR**

§  
§  
§  
§  
§  
§

**CASE NO. 08-36705-BJH-11**

**OBJECTION OF MALONEY, BEAN, HORN and HULL, P.C.  
TO SUPERIOR AIR PARTS, INC.'S SECOND AMENDED  
DISCLOSURE STATEMENT AND, ALTERNATIVELY,  
MOTION FOR PROTECTION AND/OR TO ESTABLISH ESCROW ACCOUNT**

Maloney, Bean, Horn and Hull, P.C., a creditor herein, on behalf of itself and local counsel and experts retained by Maloney, Bean, Horn and Hull, P.C. (hereinafter collectively referred to as "MBHH"), by and through the undersigned counsel, files this Objection to Superior Air Parts, Inc.'s Second Amended Disclosure Statement and, Alternatively, Motion for Protection and/or to Establish an Escrow Account and would show the Court as follows:

**OBJECTION OF MALONEY, BEAN, HORN and HULL, P.C.  
TO SUPERIOR AIR PARTS, INC.'S SECOND AMENDED  
DISCLOSURE STATEMENT AND, ALTERNATIVELY,  
MOTION FOR PROTECTION AND/OR TO ESTABLISH ESCROW ACCOUNT**

I.

**BACKGROUND**

1. On December 31, 2008, Superior Air Parts, Inc. (hereinafter "Superior") filed a voluntary petition for bankruptcy under Chapter 11 of the United States Bankruptcy Code.

2. As stated in the Debtor's Second Amended Disclosure Statement, Superior carries product liability insurance. From 2004 forward, that insurance was subject to a deductible for both fees and indemnity.<sup>1</sup> At the time of Debtor's voluntary petition, there were multiple product liability suits pending against Superior arising from five (5) separate occurrences which triggered the policies. These policies included the deductible obligations of Superior. These multiple product liability suits were automatically stayed by the filing.<sup>2</sup>

3. An Order to Lift Stay is effective July 15, 2009.

4. While the Chapter 11 case has been pending, a sixth tort suit has been filed against Superior arising out of a sixth separate occurrence,<sup>3</sup> a claim for indemnity has been made in an existing suit<sup>4</sup> and a scheduled claimant will file suit against Superior on July 15.<sup>5</sup>

---

<sup>1</sup> While the plaintiffs' agreement to not seek recovery from the Debtor relieves the estate of the indemnity obligation, the Debtor's duty to pay fees is owed to the movants herein who are also creditors of the estate.

<sup>2</sup> Kirkwood, Luyster, Chvigny, Desch, Whitefield and Henderson. See Exhibit "A;"

<sup>3</sup> Hudson v. Superior et al.

<sup>4</sup> A.E.R.O. v, Superior (new Henderson suit)

<sup>5</sup> Henderson

5. As a result, the eight (8) lawsuits and indemnity claim will require a defense upon the stay being lifted this week.

6. MBHH has served as Superior's national products liability insurance defense counsel since 1988 (21 years) and is counsel of record in each of the 8 lawsuits.

7. In each of the pre-petition lawsuits, MBHH has retained local counsel and/or expert witnesses on Superior's behalf to protect Superior's legal interests. See Exhibit "B" attached hereto listing said local counsel and experts. Most of these persons are also creditors of Superior's estate, with proofs of claim on file for past services rendered to Superior for which they have not been paid.

8. MBHH will be required to retain additional local counsel and experts for the two (2) newly filed lawsuits and claim.

9. As noted in the Debtor's Second Amended Disclosure Statement, Superior is responsible for the first 10% of defense costs for year 2004 and \$350,000 for each year thereafter up to an annual aggregate of \$875,000. MBHH estimates that the legal service providers will incur approximately \$120,000/month in fees and costs going forward from July 15, 2009.

10. Superior has not reached the per occurrence deductible in any of the lawsuits.

11. It does not appear that any Plan of Reorganization will be confirmed and approved by this Court until late August or early September of 2009.

12. In Superior's Second Amended Disclosure Statement and Plan, Brantly International, Inc. ("Brantly") has purportedly promised to pay all defense costs within the deductible. However, Brantly is not yet the Reorganized Debtor, and there is no assurance at this point that such will be the case. Meanwhile, MBHH and its local counsel and experts will be required to take action to protect Superior in the ongoing litigation without any agreement from any party that MBHH will be paid.

13. The consequences of MBHH refraining from further action to protect Superior are uncertain, but could pose additional financial harm to Superior as it is anticipated that the insurers will decline to make any payments for legal fees, expenses or indemnity until Superior's deductible obligations are satisfied.

#### **OBJECTION AND MOTION**

14. MBHH can find no reference in Superior's Second Amended Disclosure Statement as to how MBHH and its local counsel and retained experts are to be treated for their pre-petition claims or for their work on behalf of Superior once the Stay Order was lifted, effective July 15, 2009.<sup>6</sup>

15. MBHH seeks the Court's intervention and direction as to how to proceed under the circumstances. In order to protect Superior in litigation where it is a defendant and in order to allow MBHH to provide the representation required, MBHH suggests that an escrow account be established wherein \$175,000 be deposited for the

---

<sup>6</sup> Neither MBHH nor the other service providers are prepared to begin working for the Debtor on July 15, 2009 only to be treated as unsecured creditors.

anticipated legal fees and expenses expected to be incurred from July 15, 2009 through September 1, 2009. The funds would be distributed only upon receipt of invoices for legal fees and expenses as approved by the Court. If Brantly is to assume the insurance deductible obligations as stated in Superior's plan, the escrow account can either be funded by Brantly or funded by Superior with the understanding that Brantly will reimburse Superior at closing.

16. In the alternative, MBHH will abide by whatever remedy, equitable or otherwise, fashioned by the Court

Wherefore, Premises Considered, MBHH objects to Superior's Second Amended Disclosure Statement and, in the alternative, respectfully requests that the court order that \$175,000 be placed into an escrow account for the purpose of paying Superior's product liability defense costs from July 15, 2009, until September 1, 2009, that further funds be set aside should the plan not be confirmed by September 1, 2009, and for such other and further relief to which MBHH would show itself justly entitled.

DATE: July 17, 2009

Respectfully submitted,

By: Kevin H. Good  
Kevin H. Good

Texas Bar No. 08139300  
Conner & Winters LLP  
1700 Pacific Avenue  
Suite 2250  
Dallas, Texas 75201  
Telephone (214) 217-8070  
Fax (214) 217-8861

***Attorney for Maloney, Bean Horn and Hull, P.C.***

**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that a true and correct copy of the above and foregoing document was served on July 17, 2009 via email upon Stephen Roberts, Esq., counsel for the Debtor, and David Parham, Esq., counsel for the Unsecured Creditors' Committee, and via postage paid First-Class U.S. Mail upon the parties on the attached service list.

Kevin H. Good  
Kevin H. Good

**OBJECTION OF MALONEY, BEAN, HORN and HULL, P.C.  
TO SUPERIOR AIR PARTS, INC.'S SECOND AMENDED  
DISCLOSURE STATEMENT AND, ALTERNATIVELY,  
MOTION FOR PROTECTION AND/OR TO ESTABLISH ESCROW ACCOUNT**

SUPERIOR COURT OF THE STATE OF CALIFORNIA  
FOR THE COUNTY OF LOS ANGELES  
NORTHERN DISTRICT

CHERYL KIRKWOOD, INDIVIDUALLY,	)	CASE NO. MC018415
AND AS GUARDIAN AD LITEM OF	)	
CORY MANNING, A MINOR, AS	)	ANSWER AFFIRMATIVE
SUCCESSOR IN INTEREST AND AS A	)	DEFENSES OF
DEFENDANT	)	
PERSONAL REPRESENTATIVE OF THE	)	SUPERIOR AIR PARTS,
INC.	)	
ESTATE OF RICKY MANNING; AND	)	AND JURY DEMAND
TAYLOR MANNING, INDIVIDUALLY,	)	
AS SUCCESSOR IN INTEREST AND AS	)	
A PERSONAL REPRESENTATIVE OF	)	
THE ESTATE OF RICKY MANNING;	)	
	)	
Plaintiffs,	)	
	)	
v.	)	
	)	
CALIFORNIA TURBINE SERVICE, INC.,	)	
EXTEX, LTD., HELIPOWER SERVICE,	)	
INC., HELIPOWER SERVICE, LLC, SAN	)	
JOAQUIN ROTOR AND WING REPAIR,	)	
SAN JOAQUIN HELICOPTERS, INC.,	)	
ROLLS-ROYCE CORPORATION,	)	
(formerly Allison Engine co.), a wholly	)	
Owned subsidiary of Rolls-Royce PLC, and	)	
DOES 1 through 50, inclusive,	)	
	)	
Defendants.	)	

---

Stuart R. Fraenkel  
Kreindler & Kreindler LLP  
707 Wilshire Boulevard, Suite 4100  
Los Angeles, CA 90017  
**Counsel for Plaintiffs**

Robert F. Hedrick  
Hedrick Smith PLLC  
800 Fifth Avenue, Suite 4000  
Seattle, Washington 98104-3179  
**Counsel for Plaintiffs**

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

---

ELIZABETH LUYSTER, as Executor and  
Administrator of the Estates of ALFRED W.  
ZADOW and DONNA M. ZADOW, deceased,  
  
Plaintiff,

:  
: No. 06 CV 4166 (LMM)  
:

: Judge McKenna  
:

- against -

TEXTRON, INC.; AVCO CORPORATION  
(Textron Lycoming Division); LYCOMING  
ENGINES, SUPERIOR AIR PARTS, INC., KS  
BEARINGS, Inc.

: **DEFENDANT SUPERIOR AIR PARTS,  
INC.'S ANSWER TO CROSS-CLAIMS OF  
GACE FLYING CLUB, INC.**  
:  
:  
:

Defendants.

---

SUPERIOR AIR PARTS, INC.

Third-Party Plaintiff,

- against -

TELEDYNE MATTITUCK SERVICES, INC.;  
GACE FLYING CLUB, INC.; A&P AIRCRAFT  
MAINTENANCE, INC.; ROBERT H.  
SCHELLBERG; RONALD USCHOK; AND  
SCOTT SIMPSON,

Third Party Defendants.

---

KS GLEITLAGER USA, INC.

Second Third-Party Plaintiff,

- against -

TELEDYNE MATTITUCK SERVICES, INC.;  
GACE FLYING CLUB, INC.; A&P AIRCRAFT  
MAINTENANCE, INC.; ROBERT H.  
SCHELLBERG; RONALD USCHOK; AND  
SCOTT SIMPSON,

Second Third Party Defendants.

---



IN THE COURT OF QUEEN'S BENCH OF ALBERTA  
JUDICIAL DISTRICT OF CALGARY

Lawrence Chevigny and Her Majesty the Queen in Right of Alberta  
Plaintiffs

and

Lycoming Engines, Superior Air Parts Inc., Progressive Air Services Ltd., Lindair  
Services Ltd., Lance Boogmans-Smutt, Cynthia Boogsmans-Smutt and John  
Doe and AVCO Corporation and Textron Inc.

Defendants

---

Michael J. Bailey  
Miller Thomson LLP  
3000, 700 – 9<sup>th</sup> Avenue S.W.  
Calgary, Alberta, Canada T2P 3N9  
403.298.2400 Telephone  
403.262.0007 Fax  
[www.millerthomson.com](http://www.millerthomson.com)  
**Solicitor for Plaintiffs**

Lawrence W. Olesen, Q.C.  
Bryan & Company LLP  
2600 Manulife Place  
10180-101 Street  
Edmonton, Alberta T5J3Y2  
780-420-4735  
780-428-6324 – fax  
[lwolesen@bryanco.com](mailto:lwolesen@bryanco.com)  
**Local Counsel for Defendant Superior Air Parts, Inc.**

**In The District Court of the Twenty First Judicial District  
In and For Garvin County, State of Oklahoma**

**CLYDA WHITEFIELD, Individually and as  
Personal Representative of the ESTATE OF  
JUSTIN WHITEFIELD, deceased, and as  
NEXT FRIEND of DERBY WHITEFIELD and  
KENNEDY WHITEFIELD, Minors, and VICKIE  
LYNN COY, Individually, and BILL ALLEN  
WHITEFIELD, individually**

**Plaintiffs,**

- AND -

MARK HUGHES and AMY HUGHES,  
Individually and as Personal Representatives  
of the ESTATE OF BRANDEN HUGHES and  
AMBER HENSON as NEXT FRIEND of  
BRANDT HENSON

**Plaintiffs,**

**VS.**

ROBERT R. CANTRELL, KEVIN G. CANTRELL, PALO ENERGY, LLC, ADA RANCH, LLC, CANTRELL BROTHERS RANCH, LLC, OKLAHOMA INDEPENDENT OF STROUD, LLC, GRAYSON INVESTMENTS, LLC, ROBERT R. CANTRELL, LLC, JEFF COLE, DALE WALLACE, DIVCO, INC., SUPERIOR AIR PARTS, INC., TEXTRON LYCOMING RECIPROCATING ENGINES DIVISION OF AVCO CORPORATION, TEXTRON, INC., NORTHWEST AERO SERVICES, THE WRIGHT PLACE, INC., and AIRCRAFT SPECIALTIES SERVICES, INC.

## Defendants.

**Lisa Lance, Esq.**  
**ATTORNEY AT LAW**  
**P O Box 595**  
**Pauls Valley, OK 73075**  
**(405) 238-5353**  
**Counsel for Plaintiffs**

**William O. Angelley, Esq.**  
**KREINDLER & KREINDLER**  
**707 Wilshire Blvd.**

VIRGINIA

IN THE CIRCUIT COURT OF THE CITY OF RICHMOND  
JOHN MARSHALL COURTS BUILDING

ROXANNE CHERRY, Administrator of the  
Estate of Christopher Desch, Deceased

Plaintiff,

v.

CASE NO. CL08004429-00

LYCOMING ENGINES, A Division of AVCO  
CORPORATION f/k/a TEXTRON LYCOMING  
RECIPROCATING ENGINE DIVISION;  
AVCO CORPORATION; TEXTRON, INC.;  
TELEDYNE CONTINENTAL MOTORS, INC.;  
DOMINION AVIATION SERVICES, INC.;  
and SUPERIOR AIR PARTS, INC.

Defendants.

---

***SAP/Luyster***

Paul Eberly  
414 Sunset Drive  
Gulf Shores, AL 36542  
(251) 968-7867 – Phone

Roch J. Shipley, Ph.D., FASM, P.E.  
Professional Analysis and Consulting, Inc.  
43W752 US Route 30  
Suite 2F  
Sugar Grove, IL 60554  
[www.ProAACI.com](http://www.ProAACI.com)  
[RJShipley@ProAACI.com](mailto:RJShipley@ProAACI.com)  
[DKHall@ProAACI.com](mailto:DKHall@ProAACI.com)  
Direct Dial: (630) 466-4040  
Roch Cell: (630) 404-0030  
David Hall Cell: (630) 450-5439

Donald F. Knutson  
Knutson Aviation Services  
2118 N. Tyler, Bldg. B, Suite 102  
Wichita, KS 67212  
316-734-5016 (mobile)  
316-260-8314 (fax)  
316-773-3956 (home)  
[donknutson@sbcglobal.net](mailto:donknutson@sbcglobal.net)

Eugene Massamillo, Esq.  
KAPLAN, VON OHLEN & MASSAMILLO, LLC  
555 Fifth Avenue, 15<sup>th</sup> Floor  
New York, New York 10017  
(212) 922-0450  
(212) 922-0530 – FAX  
[emassamillo@kvolaw.com](mailto:emassamillo@kvolaw.com)

Nicholas E. Pantelopoulos, Esq.  
KAPLAN, VON OHLEN & MASSAMILLO, LLC  
555 Fifth Avenue, 15th Fl.  
New York, New York 10017  
Tel. (212) 922-0450  
Facsimile (212) 922-0530  
E-mail: [nep@kvolaw.com](mailto:nep@kvolaw.com)  
[hfeasel@kvolaw.com](mailto:hfeasel@kvolaw.com)

***SAP/Henderson***

No Experts or Local Counsel

***SAP/Whitefield***

Scott V. Goodley  
Baron & Budd, P.C.  
Director of Maintenance, Department of Aviation  
8001 Lemmon Avenue, Suite 145  
Dallas, Texas 75209-2696  
(214) 956-1550 – business  
(214) 587-4160 – mobile

Alan Agee, Esq.  
GARVIN, AGEE, CARLTON AND MASHBURN, P.C.  
P.O. Box 10  
Pauls Valley, OK 73075-0010  
Voice: 405-238-5559 or 888-238-5559  
Fax: 405-238-5666

***SAP/Desch***

No Experts

Kenneth J. Moran, Esq.  
Martin A. Conn, Esq.  
Moran Brown, PC  
4110 East Parham Road  
Richmond, Virginia 23228  
(804) 864-4860  
(804) 864-4852 (fax)  
[kmoran@moranbrownpc.com](mailto:kmoran@moranbrownpc.com)  
[mconn@moranbrownpc.com](mailto:mconn@moranbrownpc.com)

**LOCAL COUNSEL - Philadelphia Office:**

J. Denny Shupe, Esq.  
Nicole Moshang, Esq.  
Vincent A. LaMonaca, Esq.  
Schnader Harrison Segal & Lewis, L.L.P.  
1600 Market Street, Suite 3600  
Philadelphia, PA 19103-7286  
Phone: 215-751-2000  
Fax: 215-751-2205  
E-Mail: [dshupe@schnader.com](mailto:dshupe@schnader.com)

***SAP/Kirkwood***

Dustin A. Turnquist, M.S., P.E.  
Senior Consultant  
Engineering Systems Inc.  
4775 Centennial Blvd., Suite 106  
Colorado Springs, CO 80919  
Tel: (719)535-0400; Cell: (720) 272-2829; Fax: (719)535-0402

KEITH A FINK & ASSOCIATES  
S. Keven Steinberg  
Steinberg Law Offices  
11500 West Olympic Blvd  
Suite 316  
Los Angeles, Ca 90064  
(310) 268-0781  
(310) 268-0790  
[ksteinberg@steinberg-lawoffices.com](mailto:ksteinberg@steinberg-lawoffices.com)  
[ksteinberg@finklawfirm.com](mailto:ksteinberg@finklawfirm.com)

***SAP/Chevigny***

No Experts

Lawrence W. Olesen, Q.C.  
Bryan & Company LLP  
2600 Manulife Place  
10180-101 Street  
Edmonton, Alberta T5J3Y2  
780-420-4735  
780-428-6324 – fax  
[lwolesen@bryanco.com](mailto:lwolesen@bryanco.com)

